

PART 2

SPECIFICATIONS

SPECIAL PROVISIONS

WASHINGTON STATE FERRIES
M. V. KALEETAN DOCKSIDE PRESERVATION

CONTRACT NO. 00-7076

SPECIAL PROVISIONS

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WASHINGTON STATE FERRIES

M. V. KALEETAN DOCKSIDE PRESERVATION

CONTRACT NO. 00-7076

SPECIAL PROVISIONS

1 The following Special Provisions are to be used in conjunction with Division 1 of the 2006
2 Standard Specifications for Road, Bridge, and Municipal Construction of the State of
3 Washington - English (hereafter called "Standard Specifications"), as amended. The
4 Standard Specifications and the following Special Provisions are hereby made a part of this
5 Contract.

6
7 The following Special Provisions shall supersede any conflicting provisions of the Standard
8 Specifications.

1. DESCRIPTION OF WORK

11
12 The Contract Work consists of the following repairs to the ferry M.V. Kaleetan:
13 dockside moorage; ship service generator piping replacements; motor control
14 upgrades; hot water heater replacement; topside surface preparation and coating;
15 preparation and coating of vessel's bilges; ADA compliance upgrades; ventilation
16 modifications; cell phone replacements; pipe coupons; steel repairs; ADIS
17 installation; GPS installation; 24 VDC system install; audio gauge treatment tank;
18 walk off mat installation; weight control and other related maintenance work, as
19 specified in the IFB Technical Specifications. The vessel is 382'2" x 73'2" and
20 carries 160 vehicles and 2500 passengers. All of the work must be performed within
21 Puget Sound, Washington during the period of March 13 – June 2, 2006.

2. CONTRACT WORK SCHEDULE

24
25
26 The Vessel is an operating unit of Washington State Ferries (WSF), and this Contract
27 is a link in the maintenance schedule chain. As such, Time is of the Essence, and the
28 work shall be performed within the following schedule:

- 30 • **Delivery Date: March 13, 2006.**
- 31 • **Redelivery Date: June 2, 2006.**

WSF shall deliver and take redelivery of the Vessel at the Contractor's facility within normal working hours. Should tug services be required to assist the Vessel: (i) through navigation channels; (ii) into lifting facilities; or (iii) out of lifting facilities, they shall be provided at the Contractor's expense.

At any time the Contractor anticipates difficulty in meeting the requirements specified herein or anticipates difficulty in complying with the Contract work schedule dates, the WSF Inspector shall be immediately verbally notified, followed by a letter stating the pertinent details. Receipt of this notification shall not be construed as waiver of the Contract or schedule requirements.

3. CONFERENCES AND ADMINISTRATION

For the below conferences, the Contractor shall provide a conference room adequate in size to accommodate 5-7 WSF representatives and as many Contractor representatives as considered necessary by the Contractor.

A. Pre-Arrival Conference

Upon award of the Contract and prior to the Vessel's arrival, a Pre-arrival Conference shall be scheduled by the WSF Representative. The purpose of the Conference is to discuss the specifications for the Contract, any unusual conditions, the Contractor's plan for the work, the schedule of tests and inspections and any other pertinent items that will result in a better understanding of the project.

B. Arrival Conference

Upon Vessel arrival at the Contractor's facility, WSF will conduct an Arrival Conference aboard the Vessel. The Contractor's Ship Superintendent assigned to the Vessel, WSF's Vessel Staff Chief Engineer and appropriate WSF personnel shall attend the Conference. The purpose of the Conference is to discuss last minute details and arrangements.

4. WSF PERSONNEL FACILITIES

A. General

1. The Contractor shall provide project office facilities consisting of office space, furniture, restroom, equipment, supplies for three (3) WSF personnel as specified herein.
2. The facilities shall be separate from any Contractor' office space, adjacent to the vessel, lockable, and include daily janitorial services, and cleaning and sanitary supplies.

3. The office space shall be heated, maintained clean, and be at least comparable to those provided for the Contractor's management staff.
4. The facilities shall be for the exclusive, 24 hour a day, use of the WSF project staff. This facility, with parking, shall be available at least five (5) days prior to the arrival of the Vessel, through five (5) days after redelivery of the Vessel.
5. If the Contract Work is to be performed at more that one location, comparable facilities shall be provided at each location.

B. Telephone Lines and Equipment

1. The office area shall be equipped with the following six (6) telephone lines with a telephone on each desk:
 - a) One (1) line shall be connected to the Contractor's internal system, or a local area if the Contractor does not have an internal system.
 - b) One (1) line, toll free to Seattle, shall be a dedicated "T1" circuit for network data transmission. The Contractor shall provide space, access and support, as needed, for WSF contractors to perform interconnection wiring for a Local Area Network (LAN) within the facilities provided, and for connection of the LAN to the phone system. The "T1" circuit shall be installed to the vicinity of the LAN location.
 - c) One (1) line shall be a dedicated line, analog, toll free to Seattle, for fax connection.
 - d) Three (3) lines, toll free to Seattle, shall be used for regular telephone service.
2. Telephone service shall be touch-tone, if available. All telephone equipment shall be Contractor provided, with arrangements of phones, circuits, and ringing to be approved by the WSF Representative. The one (1) Contractor's internal system, and three (3) toll free Seattle lines shall be provided to all phones. All phones shall be speakerphones.

C. Office Space

1. Each person shall be supplied with a standard size desk, desk chair, side chair, computer table, electrical outlet, trash can, and a two (2) shelf bookcase.
 - a) Each two (2) desks areas shall be provided with a layout table of at least 72".

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D. Administrative Area (Office Equipment Area)

- 1. An administrative area shall be provided with sufficient floor space and electrical outlets for the following:
 - a) Fax machine (plain paper), fax machine telephone connection, a cork bulletin board, and a “T1”-LAN RJ-45 jack, all of which shall be Contractor provided.
 - b) WSF Supplied Equipment consisting of: Copier, Computer network printer, and server cabinet and related communication equipment.

E. Conference Area

- 1. A Conference Area shall be provided as a separate area or contiguous with the Office Space. The Conference Area shall be outfitted with seating for ten (10) at a table, a large whiteboard, and a speaker phone.

F. Coffee Mess

- 1. This area shall be provided for the exclusive use of WSF. Electrical outlets adequate to support equipment below shall be provided. Coffee Mess area shall be in or adjacent to the Office Space and include the following furniture and equipment:
 - a) Counter area; sink with hot and cold running water; supply a certified non-contaminated hot and cold fresh water dispenser with a sealed five (5) gallon water bottle service to be delivered to the Coffee Mess area, estimated at one (1) per day until redelivery of the Vessel(s). A refrigerator of at least 6.0 cubic feet; a microwave oven; coffee maker; trash can; towel rack; paper towel dispenser and cabinet storage space.

G. Restroom

- 1. A restroom and hand washing facilities for the exclusive use of WSF shall be provided as part of or immediately adjacent to the office space. This space shall be uni-sex and lockable.

H. Parking

- 1. The Contractor shall provide WSF seven (7) clearly marked parking spaces, convenient to the office and well clear of grit blast and painting areas. The parking spaces shall be lighted, marked with signs, and dedicated to the exclusive, 24 hour a day, use of the WSF Representative, Inspection Staff, vendors and visitors.

- 1 2. The Contractor shall provide on a loan basis car covers in sufficient
2 size and number for the assigned WSF personnel. If the Contractor
3 fails to provide car covers, he shall be solely responsible for the repair
4 (e.g., re-painting) of any and all WSF staff vehicles (whether State
5 owned or private) that are damaged by grit-blast or paint from the
6 Contractor's Shipyard due to parking spaces that do not reasonably
7 comply with this Section. In such event, WSF shall be entitled to
8 select the vehicle repair facility or facilities. If the Contractor does not
9 directly pay for such repairs, WSF may do so, and deduct the
10 amount(s) from Contract progress payment(s) without any liability to
11 WSF.

12 **5. TEST AND INSPECTIONS**

- 13 A. Contractor shall arrange for the attendance of WSF and Coast Guard (USCG)
14 Inspectors to witness the tests and inspections as required.
15 B. Contractor shall provide copies of the tests and inspections results to the WSF
16 Inspector upon completion of each test or inspection.
17
18

19 **6. VACANT**

20
21
22 **7. CHANGE ORDERS**

23
24 No change in work under this Contract shall be made unless a Change Order is issued
25 before such change is made or additional work is performed.
26
27

28 **8. TIME AND MATERIAL WORK**

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30 A report of time and material expended for work performed on a time and material
31 basis shall be submitted daily to, and approved by, the Engineer in charge of the
32 work. Time charges shall be Contractor's hourly billing rate and material charges at
33 invoiced cost plus mark-up as allowed in the current Standard Specifications and the
34 Bid Form.
35

1 **9. DISPOSITION OF REMOVED EQUIPMENT AND SCRAP**

2
3 Unless otherwise provided, any equipment removed from the Vessel shall be and
4 become the property of WSF and shall be disposed of in such manner as WSF may
5 direct. Such equipment shall be stored by the Contractor without charge to WSF.
6 Scrap and/or salvage to be removed from the Vessel during the period of work shall
7 be and become the property of the Contractor unless provided otherwise herein. The
8 value of such scrap shall be taken into consideration by the Contractor in making its
9 bid under this Contract.
10

11 **10. REMOVALS**

12
13 Should the Contractor require the removal of any parts of the Vessel, her fittings,
14 machinery or part thereof, such removal is to be accomplished by the Contractor. All
15 such removals shall be replaced by him to the satisfaction of WSF's Representative.
16 Any damage resulting from such removal shall be rectified at the expense of the
17 Contractor.
18
19

20 **11. CLEAN UP**

21
22 The Contractor shall at all times keep the work site free of accumulation of waste
23 material or rubbish caused by its employees or by work, and at the completion of
24 work shall remove all rubbish from and about the site of work and shall leave the
25 work and its immediate vicinity, "broom clean" or equivalent unless otherwise more
26 exactly specified.
27
28

29 **12. ASBESTOS WARNING**

30
31 The Vessel may contain asbestos-containing material that might be disturbed during
32 repairs. If asbestos is found and was not included in WSF's scope of work, it is the
33 Contractor's responsibility to immediately notify WSF. All abatement and disposal of
34 asbestos not included in the original scope of work will be the subject of a negotiated
35 Change Order.
36
37

38 **13. LOCATION WHERE WORK IS TO BE PERFORMED**

39
40 It is the intent of this Contract that the work be done at the Contractor's plant. At its
41 sole expense, the Contractor shall furnish a drydock or dockside / mooring facility, as
42 appropriate to the Contract work, during performance of the Contract. In the event
43 the Contractor has more than one Vessel moored at its facility, each Vessel is to be

1 moored separately to the dock. Mooring of one Vessel attached outboard of the other
2 is not allowed.
3

4 In the event the Contractor intends to accomplish the work at a location other than at
5 the Contractor's plant, such location is to be specified on the Facilities Provider List
6 attached to the Bid Form. If WSF has not pre-approved such location, WSF reserves
7 the right to approve or reject such location during the bid review process.
8

9 **14. SECURITY**

10
11 The Contractor shall be responsible for the security of all WSF-owned property
12 (including, but not limited to the Vessel) and third-party owned property aboard the
13 Vessel, during the Contractor's possession of such property.
14

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16 **15. WORKMANSHIP AND INSPECTION**

17
18 Unless otherwise specifically provided in the Plans or Specifications, all
19 workmanship, equipment, materials, articles and all operational practices of the
20 Contractor used in the performance of this Contract shall be in accordance with
21 United States Coast Guard rules and the best commercial marine practice and of a
22 suitable and corresponding grade in their respective kinds. Where equipment,
23 material or articles are referred to in the Specifications as "equal to" any particular
24 standard, the Project Engineer in charge of work shall decide the question of equality,
25 only after written application for substitution is made by Contractor.
26

27 **16. COOPERATION WITH OTHER CONTRACTORS AND / OR**
28 **EMPLOYEES**

29
30 WSF shall be permitted to: (1) employ any of its employees, officers, crew or direct
31 labor subcontractors or other personnel in any work any time aboard the Vessel, or
32 (2) direct any of its concessionaires to accomplish certain concession-related work
33 aboard the Vessel; provided that the Contractor will have previously received
34 notification, and such work does not materially interfere with the performance of the
35 Contract Work by the Contractor. WSF shall not be required to pay to the Contractor
36 any penalty, premium or other sum for the exercise of this right.

37 If the Contractor enters into an independent agreement with a State concessionaire to
38 accomplish certain Other Work aboard the Vessel, within the term of this Contract,
39 the Contractor service and labor rates for such independent agreement shall not
40 exceed the corresponding rates under this Contract.
41

Other Work Contractors and/or employees, if any, aboard the Vessel will ensure that their work activities do not interfere with the Contractor. The Contractor is advised to familiarize himself with Sections 1-05 and 1-08 of the Standard Specifications.

17. INSURANCE

The Contractor shall obtain and keep in force insurance as described in the current Standard Specifications, specifically Section 1-07.18, Public Liability and Property Damage Insurance, except as follows:

A. Owner's and Contractor's Protective (OCP) Insurance

WSF will not require Owner's and Contractor's Protective (OCP) coverage for Vessel Contracts, due to the provisions in paragraph No. 2 below.

B. Commercial General Liability (CGL) Insurance

The Commercial General Liability (CGL) coverage must include Ship Repairer's Legal Liability.

The CGL coverage must have a limit of \$2,000,000 per occurrence and \$4,000,000 aggregate.

The policy must name the State of Washington (incl. the Washington State Department of Transportation and Washington State Ferries) as an additional insured.

Additionally, the Contractor shall require the tug service operator to carry Tower's Legal Liability to indemnify WSF against any direct or indirect damage to the Vessel that occurs while the Vessel is in the care, custody and control of the tug service operator. Prior to WSF's execution of the Contract, the Contractor must provide WSF Certificates of Insurance evidencing such coverage.

18. CONTRACT SECURITY

As required by RCW 39.08, a bond and or alternate form(s) of security shall be provided by the Contractor in an amount adequate to protect on hundred percent (100%) of WSF's exposure to loss associated with the Contract.

NOTE: All proposed alternate form(s) of security must be delivered to the WSF Contracts Coordinator for approval no later than five (5) working days before the scheduled Bid Due Date. If WSF and the Contractor cannot agree as to the security prior to such date, WSF reserves the right to reject the proposed security.

For this Contract, WSF's exposure to loss has been determined to be as follows:

PERFORMANCE EXPOSURE	55% of Contract Amount
PAYMENT EXPOSURE	45% of Contract Amount
TOTAL EXPOSURE	100% of Contract Amount

Accordingly, when returning the signed Contract to WSF, the Contractor shall also provide one of the following types of security:

A. A signed Contract Bond to protect WSF's payment and performance exposure, equal to 100% of the Contract amount.

- OR -

B. Approved alternate forms of security and/or Contract Bond to protect WSF's performance exposure, totaling 55% of the Contract amount; plus a payment bond to protect WSF's payment exposure equal to 45% of the Contract amount, or alternate procedures governing reduced payment exposure (see below).

Reduced Payment Exposure: WSF requires protection against the Contractor's failure to pay taxes and other governmental obligations related to this Contract, wage rates required by law, all laborers, mechanics, subcontractors, agents, materialmen and others who have provided services and materials for work under the Contract. This protection may be proved in one of two forms:

1. The first form has been specified above, namely furnishing a Payment Bond in the required amount.
2. Alternatively, the Contractor may choose to receive 100% payment (without interest) after WSF has accepted the Contract work, the lien claim period has passed, any liens filed under RCW Chapter 60.28 have been settled, and all releases from other State of Washington agencies have been received, thereby eliminating WSF's payment exposure.

The Contract and Payment Bonds shall be upon the forms furnished by WSF, and signed by an approved surety or sureties. The surety shall be registered with the Washington State Insurance Commissioner, and the surety's name shall appear on the current Authorized Insurance Company List in the State of Washington published by the Office of the Insurance Commissioner. A sample of the Contract Bond form is enclosed. A sample Payment Bond form will be provided upon request.

1 If the Contractor chooses the alternate to the Payment Bond (i.e., 100% delayed
2 payment), a signed letter so stating shall be returned to WSF with the signed Contract
3 and performance security.

4 Alternate Forms of Security: In addition to the payment protection specified above,
5 the following alternate forms of contract security are acceptable if they provide
6 protection in an amount at least equal to WSF's exposure to performance loss, meet
7 all legal requirements for effectiveness and authenticity, and meet all of the special
8 requirements set forth below:
9

- 10 A. Certified Check;
11
12 B. Cashier's Check;
13
14 C. Irrevocable Bank Letter of Credit.
15

16 Specific Requirements for Alternate Forms of Security: In addition to meeting any
17 special requirement contained herein, alternate forms of contract security will be
18 subject to the following requirements:
19

- 20 A. Certified Check
21
22 1. Must be issued by a bank which is a qualified public depository under
23 RCW 39.58.010; and
24
25 2. Will be deposited as directed by the Contractor at the time of Contract
26 execution, with the options specified in Washington Administrative
27 Code (WAC) 82-32-010.
- 28 B. Cashier's Check
29
30 1. Must be issued by a bank which is a qualified public depository under
31 RCW 39.58.010; and
32
33 2. Will be deposited as directed by the Contractor at the time of Contract
34 execution, with the options specified in WAC 82.32.010.
- 35 C. Irrevocable Bank Letter of Credit
36
37 1. Must be issued by a bank which is a qualified public depository under
38 RCW 39.58.010; and
39
40 2. If at any time during the Contract or warranty period, as applicable, the
41 issuing bank fails to meet the standards specified in (a) of this
42 subsection, the Contractor shall inform WSF of such event, and shall,

1 within ten days, substitute an Irrevocable Letter of Credit from a bank
2 which meets the standards specified in (a) of this subsection; and
3

- 4 3. Must be in the form approved by WSF. To obtain such approval, the
5 Contractor shall submit a proposed Irrevocable Letter of Credit to
6 WSF's Contracts Coordinator for approval at least ten (10) days prior
7 to the Bid Due Date. WSF, in its sole discretion, may approve or
8 reject the proposed Letter of Credit, or may suggest changes in it
9 which will make it acceptable, provided the Contractor and its bank
10 concur with such changes, in writing, prior to the Bid Due Date.
11

12 Duration of Security: Notwithstanding the warranty coverage requirements herein,
13 the bond(s) and/or alternate form(s) of security shall remain in effect from the date of
14 Contract execution until WSF acceptance of the Contract work. Forms of security
15 that protect payment exposure shall additionally stay in effect until the lien claim
16 period has passed, any liens filed under RCW Chapter 60.28 have been settled, and
17 all releases from other State of Washington agencies have been received.
18

19 Warranty Coverage: The Contract security provided by the Contractor shall ensure
20 that WSF receives warranty coverage for all losses resulting from any defects in
21 material and workmanship for the period beginning on the date of redelivery of the
22 Vessel to WSF and ending one year after that date.
23

- 24 • Contract Bond: Warranty coverage under a contract bond shall be specified in
25 the bond and shall equal ten percent (10%) of the penal sum of the bond.
26
- 27 • Alternate Forms of Security: Warranty coverage under alternate forms of
28 security shall be at least as effective in protecting WSF as that contained in
29 WSF's standard contract bond and thus shall equal at least ten percent (10%)
30 of the performance exposure amount plus ten percent (10%) of the payment
31 exposure amount, as specified herein. During the period from redelivery of
32 the Vessel to WSF through WSF acceptance of the Contract, existing alternate
33 forms of Contract security for performance exposure shall suffice for such
34 warranty coverage.

35 Replacement Bond Option: As an alternative to the warranty coverage described
36 above, the Contractor may, for the period beginning on the date of redelivery of the
37 Vessel to WSF and ending one year after that date, provide a replacement
38 (maintenance) bond pre-approved by WSF. The bond shall equal to at least ten
39 percent (10%) of the performance exposure amount plus ten percent (10%) of the
40 payment exposure amount, as specified herein. The completed replacement bond
41 must submitted to WSF prior to the release of any Contract security.

42 Prohibition of Double Security: Assets used to secure one form of Contract security
43 shall not also be used to secure another form of contract security on the Contract.
44

Delivery of Contract Security to WSF: All forms of initial Contract security shall be submitted to WSF no later than the due date for return of the signed Contract to WSF; thereafter, any WSF-approved substitute Contract security must be submitted to WSF prior to release of any pre-existing Contract security. Security for warranty coverage after WSF acceptance of the Contract work must be submitted to WSF no later than WSF acceptance of the Contract work, and prior to the release of any Contract security.

If the Contractor chooses the alternative to the payment bond (i.e. delayed payments) a signed letter so stating shall be submitted to WSF with the signed Contract and performance security.

19. ENVIRONMENTAL PROTECTION

In addition to the applicable portions of Division 1-07.5, Wildlife, Fisheries, and Ecology Regulations, the following shall apply:

Due to possible deleterious effects of pressure washing, grit blasting and coating, and in an effort to minimize nuisance conditions to the surrounding environment, containment measures shall be taken to contain, recover and/or properly dispose of waste water and debris generated during preparation and coating operations.

In accomplishing the work required by these Specifications, the Contractor shall at all times comply with all local, state and federal laws and regulations concerning the protection of the environment.

A. Air Quality

The work shall be in compliance with Washington Administrative Code (WAC) 173-445, which prohibits the use of sand for outdoor abrasive blasting and requires enclosure of outdoor areas being blasted.

1. The Contractor shall not use sand for grit blasting on the exterior of the Vessel. The Contractor shall not use industrial slag if it contains any hazardous substances, including but not limited to lead and arsenic. If the Contractor chooses to use industrial slag for blasting, test results showing that the material does not contain any hazardous substances shall be submitted prior to the start of work. The state Dangerous Waste Regulations (Chapter 173-303 WAC) shall be utilized to determine if a substance is designated hazardous or not. Less than one percent (by mass) of the blast grit shall be able to pass through a No. 200 sieve.

2. During grit blasting operations on the exterior of the Vessel, the work area shall be enclosed on all four sides with tarps or other flexible material. The exception is when the Vessel is being blasted on a floating dry dock, in which case the ends of the dry dock shall be enclosed. Seams shall be sealed and entry ways partially sealed. Negative air pressure is not required. The Contractor shall minimize the escape of dust and other material which could create a deleterious environmental or nuisance condition. The Contractor shall recover all spent blast grit and paint debris.

B. Water Quality

The work shall be in compliance with Chapter 90.48 RCW (Water Pollution) which prohibits the introduction of pollutants to waters of the State. In order to ensure such compliance, the Contractor shall meet one of the following requirements:

1. The Contractor's operation shall maintain a recycle or pre-treatment system resulting in zero discharge of waste water to waters of the State;
2. The shipyard, or facility where the work is being performed, shall hold a valid National Pollutant Discharge Elimination System (NPDES) waste water discharge permit and be in compliance with the permit and any order affecting the permit while work under this Contract is being conducted; or
3. If the shipyard or facility is not in possession of a NPDES permit and not maintaining a "zero discharge system", a letter or some other written documentation that either: (i) a complete NPDES permit application has been accepted by the Washington State Department of Ecology (DOE); or (ii) establishes DOE's approval of the Contractor's work plan for compliance with the water pollution laws.

The Contractor shall submit written evidence of compliance to WSF, on a periodic or project-by-project basis, depending on the applicable alternative above. The Contractor shall periodically update such submittal, as needed (e.g., NPDES permit renewal or DOE approval modification).

C. Hazardous Substances

All hazardous substances, including, but not limited to, solvents and paint debris shall be handled, stored and disposed of in strict compliance with Chapter 173-303 WAC (Dangerous Waste Regulations) and any local regulations that may apply.

1 **20. LIQUIDATED DAMAGES**

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3 In view of the fact that the Vessel is an operating unit of WSF, it is essential that the
4 Contract Work be completed during the period set forth in TIME OF
5 ACCOMPLISHMENT OF WORK. In view of the foregoing, and because WSF finds
6 it impractical to calculate the actual cost of delays, liquidated damages, in lieu of
7 actual damages, shall be assessed against the Contractor in the amount of **Six**
8 **Thousand Dollars (\$6,000.00)** for each and every calendar day that redelivery
9 extends past the Redelivery Date. Liquidated damages will not be assessed for any
10 days for which an extension of time is granted.
11

12
13 **21. DEFICIENCY CORRECTION**

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15 A. "Deficiencies" shall mean any deficiency, imperfection, fault, inferiority or
16 defect in the workmanship, and materials of the Contract Work that fail to
17 meet the terms of the Contract Documents. "Deficiencies" shall include any
18 unsatisfactory vibrations, noise or temperature levels. "Correction Period"
19 shall mean a period of one (1) year from the Redelivery plus any extension
20 provided for herein.

21 B. Notwithstanding any action or inaction by WSF or any of the Authoritative
22 Agencies in connection with Contract Work, if at any time within the
23 Correction Period there shall appear, arise, exist or occur any Deficiency, said
24 Deficiency shall be corrected, at the Contractor's expense, to comply with the
25 requirements of the Contract Documents; Provided, however, the Contractor
26 shall not be responsible for the cost of correcting any deficiency to the extent
27 that such deficiency is due to ordinary wear and tear. At the discretion of
28 WSF, any work required to be performed by the Contractor pursuant to the
29 provisions of this Article shall be carried out:

- 30 1. At the Vessel's home port unless impractical; or
31
32 2. With the concurrence of WSF, while the Vessel is underway; or
33
34 3. If neither of the foregoing options is available, at a shipyard provided
35 by, and with all expenses paid by, the Contractor.
36

37 C. WSF shall notify the Contractor in writing of any Deficiency for which the
38 Contractor is liable pursuant to this Article within three (3) calendar days after
39 its discovery. Whenever WSF discovers a Deficiency and decides to correct it
40 or have it corrected, WSF shall promptly give the Contractor written notice
41 thereof. Whenever practicable (taking into consideration the necessity of
42 keeping the Vessel performing its usual service), the Contractor shall be given

an opportunity to inspect and correct the Deficiency or damage unless WSF determines that immediate correction by another source is essential.

Whenever practical (taking into consideration the necessity of keeping the Vessel performing its usual service), the Contractor shall be given complete access to the Vessel and to all records of WSF relating thereto for the purpose of verifying the existence of the Deficiency and of determining the Contractor's obligation to correct it.

- D. WSF may independently arrange to have Deficiencies corrected at sea or by another shipyard or ship repair facility at any port satisfactory to WSF. Such correction shall apply only in cases where WSF has provided the Contractor with prior written notice of its intent to so correct the Warranty Deficiency and the Contractor has failed to repair the problem within seven (7) days of the date of that notice, or such shorter time as is deemed appropriate by WSF when the Deficiency is the cause of any emergency or non-emergent inconvenience or difficulty to WSF or to the traveling public.

In the event of such correction, the Contractor shall be liable to WSF for the expense incurred at the chosen shipyard, including the cost of drydocking the Vessel within the limitations of this Article hereof, if necessary. Alternatively, in the event the corrections are performed by WSF itself, the Contractor shall be liable for all reasonable costs incurred by WSF in performing the correction.

- E. For a determination of any underwater work Deficiencies, WSF, at its expense, may drydock the Vessel or carry out an underwater survey, during or after the Correction Period. WSF shall pay, at its expense, for the haul day, re-float day and any lay days required to accomplish the Vessel's normal drydocking maintenance; Provided, however, that if a Warranty Deficiency is discovered, the correction of which requires additional drydocking time, the Contractor, in addition to the cost of the correction of the Warranty Deficiency, as provided in this Article, shall also pay for each additional drydocking lay day.

If it becomes necessary to drydock the Vessel(s) solely for the correction of a Warranty Deficiency, the cost of the entire drydocking required for the correction of the Warranty Deficiency, as well as the cost of remedying the Warranty Deficiency, as provided in this Article, shall be at the expense of the Contractor.

- F. The Contractor shall save and hold WSF harmless with respect to any taxes, ad valorem duty or similar duty imposed or assessed on any payment made in connection with the correction of a Warranty Deficiency.

- 1 G. The Contractor shall assign to WSF any guarantee or warranty furnished in
2 connection with its purchase of any equipment, materials or items used in the
3 work done pursuant to this Contract. The Contractor shall extend such
4 guarantees and warranties so that they remain in effect, at a minimum, through
5 the end of the Correction Period.
6
- 7 H. At the end of the Correction Period, the Contractor agrees to transfer and
8 assign to WSF, as to any item of material, equipment and machinery installed
9 in the Vessel, the guarantee or warranty rights of the Contractor against the
10 vendor or supplier of such items where, under the terms of such vendor's or
11 supplier's guarantee, the vendor's obligations extend for a period beyond the
12 Correction Period.
13
- 14 I. The Contractor's Deficiency correction with regard to all Owner Furnished
15 Equipment, if any, shall be limited to workmanlike installation in accordance
16 with the manufacturer's specifications, and the Contract documents.
17
- 18 J. If, in the good faith opinion of WSF, the repair of Deficiencies requires that
19 the Vessel be removed from service, the Correction Period for the Vessel shall
20 be extended for a period of time equal to the number of days (or partial days)
21 which the Vessel was out of service due to the repair of the Warranty
22 Deficiency. In all cases, upon the correction of a Warranty Deficiency, the
23 Correction Period with respect to the piece of equipment or other item on
24 which the repair was made shall be one (1) year from the date of repair of
25 such item was completed. In all events, the maximum Correction Period shall
26 be two (2) years.
27

28 **22. VESSEL SHIPCHECKS**

29
30 **The M.V. Kaleetan is currently on the Seattle/Bremerton route.**

31
32 Interested parties are encouraged to ship check the vessel for bidding purposes. With
33 the implementation of WSF's alternate security plans as required by the U.S. Coast
34 Guard, all vendors and contractors must now comply with new identification required
35 to access WSF terminals and vessels.
36

37 For specific instructions regarding the new identification requirements for ship
38 checks, please refer to the memo titled "Vessel Ship checks for Bidding Purposes",
39 attached hereto and incorporated herein as **Exhibit "1"**.
40
41

1 **23. FEDERAL FUNDING PROVISIONS**

2 This Contract is partially funded by the Federal Transit Administration (FTA).
3 Accordingly, the FTA provisions which apply to and become part of this Contract are
4 attached hereto and incorporated herein as **Exhibit "2"**.
5

6 There are no additional TSA provisions, since the required subject matter is covered
7 by the FTA provisions.
8
9

10 **24. WAGE RATES**

11
12 This Contract is subject to applicable prevailing wage rates, as shown on the
13 document attached hereto and incorporated herein as **Exhibit "3"**. Please refer to
14 **Exhibit "3"** for the provisions and laws pertaining thereto.

(END)